WHAT IS CLAIMED IS:

[0139]   1. A method of dynamically optimizing customer retention for a web marketing site, comprising:

specifying a permissible defunct threshold;

specifying a range of offers to be included in a set of promotions;

determining a probability that a customer will become defunct in a predetermined period of time since the last interaction of that customer with the web site; and

providing a promotion to a customer if the probability that the customer will become defunct in the predetermined period of time since the last interaction of that customer with the web site is greater than a predetermined threshold.

[0140]   2. The method of claim 1, further comprising segmenting the sample population based on a characteristic of the customers sampled.

[0141]   3. The method of claim 2, wherein the characteristic is an amount that the customers spent at the web site in the past.

[0142]   4. The method of claim 1, wherein the last interaction includes accessing the web site.

[0143]   5. The method of claim 1, wherein the last interaction includes making a purchase from the web site.

[0144]   6. The method of claim 1, further comprising maximizing profit by optimizing an amount of discount offered in the promotion.

[0145]   7. The method of claim 6, wherein optimizing is performed continuously.

[0146]   8. The method of claim 6,

wherein optimizing includes sampling responses received from customers that are offered promotions of varying amounts; and

optimizing the promotion amount provided to other customers based

on the optimum promotion amount discovered in the sample.

[0147] 9. The method of claim 1, wherein data related to whether a customer has interfaced with the web site is stored in the database.

[0148] 10. The method of claim 1, wherein an amount spent by a customer is stored in a database.

[0149] 11. The method of claim 9, wherein a customer is segmented for random sampling based on the amount spent by that customer.